

Message Text

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67

ACTION ARA-20

INFO OCT-01 EA-11 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 PA-04 PRS-01 USIA-15 DRC-01 /169 W

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R 021755Z NOV 73

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 9029

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

USLO PEKING

C O N F I D E N T I A L GEORGETOWN 1627

E.O. 11652:

TAGS: CERP, ETRD, GY, CH

SUBJECT: GUYANA-PRC TRADE WIDENS

1. UPON THE RETURN ON NOVEMBER 1 OF GUYANA'S NEW MINISTER OF TRADE, GEORGE KING, FROM A VISIT TO THE PEOPLES REPUBLIC OF CHINA, THE GOG ANNOUNCED A \$6 MILLION(US) SALE OF BAUXITE TO THAT COUNTRY. AT THE SAME TIME XAUG RELEASE STATED THAT KING'S MISSION HAD PURCHASED ABOUT \$4 MILLION IN BUILDERS HARDWARE, CONSUMER DURABLES, AND TEXTILES FROM PRC. BOTH SALES ARE TO TAKE PLACE OVER THE NEXT TWELVE MONTHS.

2. COMMENT: BWCNM
IS CONVINCED THAT STRONGER TRADE RELATIONS
BETWEEN GUYANA AND THE PRC ARE NECESSARY TO FURTHER INSURE
CHINA'S SUPPORT FOR GUYANA IN BOTH ECONOMIC DEVELOPMENT AND
THIRD-WORLD POLITICS. THE CHINESE FOR THEIR PART CANNOT BE
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OVERJOYED WITH THE LEVEL OF THEIR EXPORTS TO GUYANA THUS FAR

THIS YEAR. THROUGH MAY, GUYANA IMPORTED A TOTAL OF \$200,000 IN GOODS FROM CHINA, ALTHOUGH IT AGREED EARLIER TO PURCHASE \$1.25 MILLION WORTH DURING 1973.

(88 OF 9/14/73).

THE RECENT \$4 MILLION PURCHASE WAS PROBABLY MOTIVATED BY A DESIRE TO REASSURE THE PRC OF GUYANESE INTEREST IN TWO-WAY TRADE. IT IS QUITE POSSIBLE THAT THE CHINESE REPRESENTATIVES IN GEORGETOWN HAVE MADE THEIR DISPLEASURE KNOWN TO BURNHAM, AND THAT THIS PROMPTED KING'S RECENT VISIT TO THE CANTON FAIR. THE PRIME MINISTER HAS STEADILY PRESSED FOR SPECIAL TREATMENT OF THE CHINESE IN TRADE AFFAIRS. FOR EXAMPLE, ONE NEWS RELEASE ON THE KING VISIT REHASHES SOME OLD NEWS WHICH WAS PROMULGATED LAST YEAR, TO THE EFFECT THAT CHINA OFFERED TO PURCHASE 0,000 TONS OF GUYANESE SUGAR. ALTHOUGH IT WOULD BE IMPOSSIBLE FOR GUYANA TO SUPPLY ANY SUGAR BEYOND THAT ALREADY COMMITTED UNDER THE CSA AND US AGREEMENT, BURNHAM OBVIOUSLY FEELS THAT CHINA DESRVES A SHARE OF GUYANA'S MAJOR EXPORT. ANOTHER EXAMPLE COMES FROM A BAHAMIAN BUSINESSMAN WHOSE PURCHASE OF 1.5 MILLIO ABOARDFEET OF GUYANESE TIMBER HAS BEEN DELAYED BECAUSE THE POTENTIAL FOR SIMILAR TIMBER SALES TO CHINA HAS A HIGHER PRIORITY. SINCE GUYANA DOES NOT HAVE THE WHEREWITHAL TO CUT, DRESS, AND SHIP ENOUGH TIMBER TOTOEET BOTH CHINA'S CURRENT DEMAND AND THAT OF EVERYONE ELSE, EVERYONE ELSE WILL JUST HAVE TO WAIT. CHINA WILL CONTINUE TO ENJOY THIS KIND OF PRIVILEGED POSITION AS LONG AS BURNHAM SEES THE PRC AS HIS ONLY ALTERNATIVE SOURCE OF LOW COST DEVELOPMENT CAPITAL, SHOULD HE ALIENATE THE US THROUGH THE NATIONALIZATION OF THE REYNOLDS MINES, OR EXPANDED RELATIONS WITH CUBA. KING

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